

WASHINGTON – U.S. Rep. Mark Kirk (R-Ill.) announced today that the House Appropriations Committee approved report language last night that would provide small businesses an important tool in complying with the Sarbanes-Oxley Act. The language added by Congressman Kirk to the 2008 Securities and Exchange Commission (SEC) appropriations bill would authorize the Commission's Office of Small Business Policy to serve as the Small Business Ombudsman for Section 404 compliance issues. Section 404 of the Sarbanes-Oxley Act regulates internal control structures and procedures for financial reporting.

"Last week, SEC Chairman Christopher Cox announced that smaller public companies must begin complying with Section 404 of Sarbanes-Oxley by next year," Congressman Kirk said. "As thousands of small businesses begin the arduous and time-intensive task of reporting their internal control measures, there needs to be an advocate within the SEC to answer questions, address concerns and ensure that small businesses are considered in future Commission rules. By creating a special ombudsman through the preexisting Office of Small Business Policy, we can help alleviate many of the challenges facing small businesses as they prepare to meet these new financial regulations."

The SEC appropriations bill will be considered by the full House next week.

"I would like to thank Financial Services Subcommittee Chairman José Serrano (D-N.Y.) for including this important SEC request in the appropriations bill," Congressman Kirk said. "His leadership will help provide relief to our nation's fastest-growing companies that are the backbone of our economy."

The report language is included below:

Smaller public companies deserve their own advocate within the SEC to help them face the joint challenge of meeting the 404 compliance deadlines with untested risk-based regulation. The Committee recognizes the important role of the Commission's Office of Small Business Policy, and directs it to act as the Commission's Small Business Ombudsman. It encourages the Office to maintain an "open door" policy, regularly soliciting comments from small businesses and publishing their concerns within the Commission, to assure that the needs of small business are reflected in the Commission's rules, and in the interpretations and guidance the SEC provides to the public.